

Robert C. LePome, Esq.  
 330 S. Third St. #1100B  
 Las Vegas, NV 89101  
 (702) 385-5509  
 Nevada Bar #1980  
 Attorney for Interested Parties

E-Filed June 19, 2006

UNITED STATES BANKRUPTCY COURT  
 DISTRICT OF NEVADA

In re:	)	BK-S-06-10725-LBR
	)	Chapter 11
USA COMMERCIAL MORTGAGE COMPANY )		
Debtor	)	
In re:	)	BK-S-06-10726-LBR
	)	Chapter 11
USA CAPITAL REALTY ADVISORS, LLC, )		
Debtor	)	
In re:	)	BK-S-06-10727-LBR
	)	Chapter 11
USA CAPITAL DIVERSIFIED TRUST DEED )		
FUND, LLC,	)	
Debtor	)	
In re:	)	BK-S-06-10728-LBR
	)	Chapter 11
USA CAPITAL FIRST TRUST DEED FUND, )		
LLC,	)	
Debtor	)	
In re:	)	BK-S-06-10729-LBR
	)	Chapter 11
USA SECURITIES, LLC,	)	
Debtor	)	
Affects:	)	
<input checked="" type="checkbox"/> All Debtors	)	
<input type="checkbox"/> USA Commercial Mortgage Co.	)	
<input type="checkbox"/> USA Securities, LLC	)	
<input type="checkbox"/> USA Capital Realty Advisors, LLC	)	DATE: 6-21-06
<input type="checkbox"/> USA Capital Diversified Trust Deed	)	TIME: 9:30 AM
<input type="checkbox"/> USA First Trust Deed Fund, LLC	)	

OPPOSITION TO DEBTORS' MOTION FOR ORDER APPROVING AGREEMENT  
 WITH INVESTMENT PARTNERS (AFFECTS ALL DEBTORS)

COMES NOW STANLEY ALEXANDER TRUST; DRS. STANLEY ALEXANDER and FLORENCE ALEXANDER; PATRICK DAVIS; SUSAN DAVIS; FIRST SAVINGS BANK, CUSTODIAN FOR PATRICK DAVIS IRA; GRABLE B. RONNING; THE WILD WATER LIMITED PARTNERSHIP; CROSBIE B. RONNING; and THE BOSWORTH 1988 FAMILY TRUST; SPECTRUM CAPITAL, LLC, STEPHEN PHILLIPS; FRANCES PHILLIPS; PHILLIPS FAMILY TRUST DATED OCTOBER 24, 1989; MATTHEW MOLITCH; MARILYN MOLITCH; MOLITCH 97 TRUST; NANCY GOLDEN; CHURCH OF THE MOVEMENT OF SPIRITUAL INNER AWARENESS; MARK R. CAMPBELL; HANS J. PRAKELT; DR. CAROLE TALAN; RICHARD WILLIAMS; NORMA DEULL; MARTIN LEAF; MARK OLDS; SALLY OLDS; JEROME BLOCK; CHARMA BLOCK, WOLF DIETER VOSS; CLAUDIA VOSS; VOSS FAMILY TRUST; ROBIN B. GRAHAM, CELIA ALLEN-GRAHAM; GRAHAM FAMILY TRUST DATED 10/26/78; PAMELA MARTON; JAMES DICKINSON; JEFF KARR; PHYLLIS KARR; JAMES R. CIELEN; and JAMES R. CIELEN, IRA; by and through their attorney, ROBERT C. LEPOME, ESQ., and hereby joins in the Opposition to Debtors' Motion for Order Approving Agreement with Investment Partners (Affects all Debtors) (Document No. 575).

Robert C. LePome, Esq.

/s/ Robert C. LePome, Esq

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## POINTS AND AUTHORITIES

This Opposition is made for three reasons. First, the need for an immediate approval has not been shown and these responding parties do not have enough information upon which to base a decision given the shortness of time. Second, while the Payee is stated to be USA Commercial Mortgage Company (hereafter "USACMC") with whom our clients have some relationship, the Security Agreement includes USA Capital Diversified Trust Deed Fund, LLC; USA Capital First Trust Deed Funds, LLC; USA Securities, LLC; and USA Capital Realty Advisors, LLC. Third the Note itself calls for no payments for one year, except for proceeds of liquidation of certain assets of Borrower and if \$20,000.00 is paid the Note is extended for another year.

### The Law

Rule 9019(a) provides authority to approve a compromise settlement. The right being exchanged for the \$58,374,918.81 is "the right to immediately sue Investment Partners for recovery of those receivables now evidenced by the Promissory Note." The "Promissory Note" evidences no receivables. They are mentioned only in the Security Agreement to which USACMC is only one party. The Motion continually speaks only to money owed USACMC and none of the other Secured Parties.

These are legal deficiencies. Until they are addressed the Note should not be approved.

### Argument

There are a great deal of uncertainties which need evidence. An evidentiary

hearing should be set for July 25, 2006 or some later date to develop the facts. Questions are many. A few follow. Is the "carve out" for expenses of Partners fair? How open-ended is it? Why is USA Capital Diversified Trust Fund named in Paragraph 1 of the Security Agreement as an Obligation? Does this dilute the debt to USACMC? Does this dilute the security of USACMC? What other assets are owned by the principals? Do we have current financial status? Are these other assets available and subject to attachment including pre-judgment attachment of the principals' other assets? Does the acceptance extinguish the entire claims of USACMC against USA Investment Partners? It would seem so based upon Paragraph 25, page 10. Is this fair and reasonable? Again a current financial statement of Partners and that of its owners is needed. How long does the moratorium on "immediately suing Partners last? If forever, then does this meet the fairness test. i.e. Is USACMC getting 100% of the assets of Partners? Again, why should USACMC share its recovery with the other entities under the Security Agreement if the funds were "borrowed" from USACMC (and "Borrowed" may be a euphemism for "converted" or "stole"), why should Diversified Funds, etc. share the recovery?

Finally and most importantly, this Agreement seeks to convert funds which were Investor Funds into assets of the Estate. This appears to be an attempt to have the Court approve a "conversion in progress". It is unlawful. If funds are brought in, they ought not to be "brought into the Estate". Rather they should be brought into the Investors Account.

Inability of Counsel to Examine the Facts

Counsel served notice more than one month ago that June 21, 2006 was the only "omnibus" date when he would be unavailable. This unavailability is due to the Nevada Bar Association Annual Meeting which was scheduled for nearly a year earlier and calendared before April 13, 2006 when this case was filed.

Conclusion

The Motion for Order Approving Agreement with Investment Partners should be denied or, alternatively continued to on or after July 25, 2006 when the facts which would justify its approval may be developed.

**THIS BRIEF WILL BE SUBMITTED WITHOUT ARGUMENT DUE TO WHAT DEBTOR KNEW WAS COUNSEL'S UNAVAILABILITY.**

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/s/ Robert C. LePome, Esq

Robert C. LePome, Esq.  
330 S. Third St. #1100B  
Las Vegas, NV 89101  
Nevada Bar #1980  
Attorney for Interest Parties

CERTIFICATE OF SERVICE

I, Susan Stanton, hereby certify that a true and correct copy of the foregoing was forwarded to:

FRANKLIN C. ADAMS franklin.adams@bbklaw.com, arthur.johnston@bbklaw.com

BMC GROUP, INC. evrato@bmcgroup.com,  
ecf@bmcgroup.com;jmiller@bmcgroup.com;jbartlett@bmcgroup.com

KELLY J. BRINKMAN kbrinkman@gooldpatterson.com,

THOMAS R BROOKSBANK brooksbankt1@sbcglobal.net, kayal@sbcglobal.net

MATTHEW Q. CALLISTER mqc@callister-reynolds.com, maggie@callister-reynolds.com

CANDACE C CARLYON ltreadway@sheacarlyon.com,  
ccarlyon@sheacarlyon.com;bankruptcyfilings@sheacarlyon.com;rsmith@sheacarlyon.com

ROB CHARLES rcharles@lrlaw.com, cjordan@lrlaw.com

KEVIN B. CHRISTENSEN ! kbchrislaw@aol.com,

JANET L. CHUBB tbw@jonesvargas.com

JEFFREY A. COGAN jeffrey@jeffreycogan.com, sarah@jeffreycogan.com

WILLIAM D COPE cope\_guerra@yahoo.com, cope\_guerra@yahoo.com

CICI CUNNINGHAM bankruptcy@rocgd.com

LAUREL E. DAVIS bklsclv@lionelsawyer.com,  
ldavis@lionelsawyer.com;gbagley@lionelsawyer.com;ldavisesq@aol.com

THOMAS H. FELL BANKRUPTCYNOTICES@GORDONSILVER.COM

SCOTT D. FLEMING sfleming@halelane.com,  
dbergsing@halelane.com,ecfvegas@halelane.com

GREGORY E GARMAN ! bankruptcynotices@gordonsilver.com

GERALD M GORDON bankruptcynotices@gordonsilver.com

TALITHA B. GRAY bankruptcynotices@gordonsilver.com

MARJORIE A. GUYMON bankruptcy@goldguylaw.com, ddias@goldguylaw.com

EDWARD J. HANIGAN haniganlaw@earthlink.net, haniganlaw1@earthlink.net

XANNA R. HARDMAN xanna.hardman@gmail.com,

STEPHEN R HARRIS noticesbh&p@renolaw.biz

CHRISTOPHER D JAIME cjaime@waltherkey.com, kbernhar@waltherkey.com

EVAN L. JAMES ejameslv@earthlink.net, kbchrislaw@aol.com

ROBERT R. KINAS rkinas@swlaw.com,  
mstrand@swlaw.com;jlustig@swlaw.com;lholding@swlaw.com;imccord@swlaw.com

NILE LEATHAM nleatham@klnevada.com, ckishi@klnevada.com;bankruptcy@klnevada.com

ROBERT C. LEPOME robert@robertlepome.com, susan@robertlepome.com

REGINA M. MCCONNELL rmcconnell@kssattorneys.com,

WILLIAM L. MCGIMSEY lawoffices601@lvcoxmail.com,

RICHARD MCKNIGHT mcknightlaw@cox.net,  
gkopang@lawlasvegas.com;cburke@lawlasvegas.com,sforemaster@lawlasvegas.com

JEANETTE E. MCPHERSON ! bkfilings@s-mlaw.com

SHAWN W MILLER bankruptcyfilings@sheacarlyon.com,  
smiller@sheacarlyon.com;aboehmer@sheacarlyon.com;ltreadway@sheacarlyon.com;rsmith@sheacarlyon.com

DAVID MINCIN mcknightlaw@cox.net,  
gkopang@lawlasvegas.com;dmincin@lawlasvegas.com,cburke@lawlasvegas.com,sforemaster@lawlasvegas.com

JOHN F MURTHA jmurtha@woodburnandwedge.com

DONNA M. OSBORN jinouye@marquisaurbach.com,  
dosborn@marquisaurbach.com;tszostek@marquisaurbach.com;jcrowe@MarquisAurbach.com;kgallegos@MarquisAurbach.com

DONALD T. POLEDNAK sandplegal@yahoo.com, spbankruptcy@yahoo.com

PAUL C RAY info@johnpeterlee.com

SUSAN WILLIAMS SCANN ! sscann@deanerlaw.com, palexander@deanerlaw.com

LENARD E. SCHWARTZER bkfilings@s-mlaw.com

SHLOMO S. SHERMAN ssherman@sheacarlyon.com,  
aboehmer@sheacarlyon.com;bankruptcyfilings@sheacarlyon.com;ltreadway@sheacarlyon.com;  
mmallet@sheacarlyon.com;rsmith@sheacarlyon.com

JEFFREY G. SLOANE gjklepel@yahoo.com, rmcconnell@kssattorneys.com

PETER SUSI cheryl@msmlaw.com, msm@msmlaw.com

CARYN S. TIJSSELING cst@beesleyandpeck.com, aha@beesleyandpeck.com

U.S. TRUSTEE - LV - 11 USTPRegion17.lv.ecf@usdoj.gov,

JOAN C WRIGHT jwright@allisonmackenzie.com, j! brooks@allisonmackenzie.com

MATTHEW C. ZIRZOW bankruptcynotices@gordonsilver.com

by electronic service on the 15th day of June, 2006 and to the following by regular  
mail on the 15th day of June, 2006

JOSHUA D BRYSK  
LAW OFFICES OF JAMES G SCHWARTZ  
7901 STONERIDGE DRIVE, SUITE 401  
PLEASANTON, CA 94588

ANNETTE W JARVIS  
POB 45385  
36 SOUTH STATE STREET, #1400  
SALT LAKE CITY, UT 84145-0385

RICHARD J. MASON  
130 PINETREE LANE  
RIVERWOODS, IL 60015

DOUGLAS M MONSON  
RAY QUINNEY & NEBEKER P.C.  
36 SOUTH STATE STREET  
SUITE 1400  
PO BOX 45385  
SALT LAKE CITY, UT 84145-0385

...



ERVEN T NELSON  
6060 W. ELTON AVENUE, SUITE A  
LAS VEGAS, NV 89107

RAY QUINNEY & NEBEKER P.C.  
36 SOUTH STATE STREET, SUITE 1400  
P.O. BOX 45385  
SALT LAKE CITY, UT 84145

NICHOLAS J SANTORO !  
GREGORY J. WALCH  
400 S FOURTH ST 3RD FLOOR  
LAS VEGAS, NV 89101

MICHAEL M. SCHMAHL  
MCGUIREWOODS LLP  
77 W. WACKER DRIVE, SUITE 4100  
CHICAGO, IL 60601

JAMES G SCHWARTZ  
7901 STONERIDGE DR #401  
PLEASANTON, CA 94588

SCHWARTZER & MCPHERSON LAW FIRM  
2850 S. JONES BLVD., #1  
LAS VEGAS, NV 89146

PATRICIA K. SMOOTS  
318 N GROVE  
OAK PARK, IL 60302

BRADLEY J STEVENS  
3300 N CENTRAL AVE #1800  
PHOENIX, AZ 85012

THOMAS W STILLEY  
1000 SW BROADWAY #1400  
PORTLAND, OR 97205

STEVEN C STRONG  
RAY QUINNEY & NEBEKER P.C.  
36 SOUTH STATE STREET  
SUITE 1400  
SALT LAKE CITY, UT 84145-0385

WILLIAM E WINFIELD  
POB 9100  
OXNARD, CA 93031

MARION E. WYNNE  
WILKINS, BANKESTER, BILES & WYNNE, P.A.  
POST OFFICE BOX 1367  
FAIRHOPE, AL 36533-1367

/s/ Susan Stanton  
Employee of Robert C. LePome, Esq.